Registered number: 08566185

Perry Hall Multi-Academy Trust

Trustees Report and Financial Statements

For the Year Ended 31 August 2018

FRIDAY

A7L9C4WB

A26 21/12/2018 #242

COMPANIES HOUSE

DAINS ACCOUNTANTS

28/12

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 10
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditors' Report on the Financial Statements	17 - 19
Independent Reporting Accountant's Assurance Report on Regularity	20 - 21
Statement of Financial Activities Incorporating Income and Expenditure Account	22
Balance Sheet	23 - 24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 51

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details
For the Year Ended 31 August 2018

Members	A Brocklehurst L McCarthy K Kent J Purawal T Westwood
Trustees	A Brocklehurst, Chair of Trustees L McCarthy A K Cheema, Chief Executive Officer and Accounting Officer M Edwards, Vice Chair D Tarbuck S Gill (resigned 9 October 2018) P Hinkley E Woodhouse E Bianchi-Barry (appointed 8 February 2018) A Gibson (appointed 26 November 2018)
Company registered number	08566185
Company name	Perry Hall Multi-Academy Trust
Principal and registered office	Colman Avenue Wednesfield Wolverhampton West Midlands WV11 3RT
Company secretary	J Parkes
Chief Executive Officer	A K Cheema
Senior management team	A K Cheema, Chief Executive Officer R Kohli, Head Teacher T Hinkley, Head Teacher D Asbury, Head Teacher S Barnes, Head Teacher E Pritchett, Head of School L Fellows, Deputy Head Teacher A Bhandal, Assistant Head Teacher (resigned 31 December 2017) A Smith, Assistant Head Teacher M Dodd, Assistant Head Teacher S Hughes, Assistant Head Teacher C Gibbins, Assistant Head Teacher R Chander, Assistant Head Teacher J Davies, Assistant Head Teacher J Parkes, Strategic Head of Finance and Business Administration
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

Trustees' Report
For the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Trustees of Perry Hall Multi-Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Perry Hall Multi-Academy Trust.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

c. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

On 12 June 2013 the Perry Hall Primary School Governing Body appointed 3 Members for the newly formed Academy. Subsequent changes have occurred to the members. The Members then appointed a number of Trustee Governors.

In accordance with the Articles of Association, the Academy's Governing Body comprises the following:
- Up to 5 Governors appointed by the Members
- Up to 3 Governors appointed in accordance with any policy decided by the Governors
- A minimum of 2 Parent Governors
- The Chief Executive Officer

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

When appointing new Governors the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

d. Policies and procedures adopted for the induction and training of Trustees

The Board of Trustees has devised an informal induction process to ensure that all Trustees understand their roles and responsibilities. The training and induction provided for new Trustees will depend on their experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees have access to policies, procedures, minutes, budgets and other documents they will need to undertake their role as Trustees. All Trustees are subject to DBS checks.

e. Organisational structure

The Board of Trustees of the Multi-Academy Trust establishes an overall framework for the governance of the Academy and is responsible for setting general policy, adopting an annual plan and budget, monitoring the company by the use of budgets, making major decisions about the strategic directions of the company, and senior staff appointments. The Trustees are responsible for the monitoring and performance of the Chief Executive Officer on a regular basis.

The Local Governing Bodies of each of the schools are responsible for implementing the policies laid down by the Trustees and reporting back to them. The Local Governing Bodies are a mix of parents, staff and co-opted governors.

The Chief Executive Officer is the Accounting Officer.

f. Arrangements for setting pay and remuneration of key management personnel

The Trust pay policy has been agreed by the Pay Committees of each local governing body following consultation with staff and recognised trade unions, then subsequently ratified by Trustees. The Trust recognises that all pay progression decisions for teaching staff including those in leadership positions must be linked to annual appraisal of performance and the procedures set out in the Pay policy ensures that this is achieved in a fair and transparent way. The Trustees also recognise the importance of support staff performance appraisal – again including those in key management roles – and performance related pay is being reviewed for these staff members.

Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Perry Hall Multi-Academy Trust to provide education for pupils aged 3-11, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the schools offering a balanced curriculum, and to promote for the benefit of the individuals living in Wolverhampton and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interest of social welfare and with the object of improving the condition of life of the said individuals.

b. Objectives, Strategies and Activities

The priorities per the School Improvement Plans are;

- **Leadership**
  To continue the development of leadership at all levels across the Trust impacting on outcomes for pupils
  To ensure subject leaders support and hold staff to account for developing their curriculum areas and raising attainment
  To ensure all governors have a strong knowledge of the academies, their strengths and areas of development hence being able to fulfil their strategic roles

- **Quality of Teaching, Learning & Assessment**
  To ensure all teaching across the Trust is 100% good and at least 60% outstanding
  To ensure that the provision of Early Years is outstanding across the Trust
  To develop opportunities for pupils to transfer key skills learnt across the curriculum

- **Personal Development, Behaviour & Welfare**
  To ensure that all practice is inclusive and the provision is outstanding across the Trust
  To ensure safeguarding is effective and policies and procedures continue to be outstanding
  To ensure attendance is above national expectations
  To ensure behaviour is outstanding supported by effective policies and procedures

- **Outcomes for Pupils**
  To ensure that all children across the Trust make better than expected progress from their individual starting points
  To raise attainment for all children in Reading, Writing, Maths & Science
  To ensure all groups of children including Disadvantaged Pupils, SEND, More Able and Less Able make better than expected progress

c. Review of activities

The continued expansion of our Multi-Academy Trust has been at the fore-front of discussions, planning and workload throughout this financial year. Following a protracted period of dialogue regarding asbestos removal works, The Trust grew from three primary schools to four with the conversion of Bird's Bush Primary School in Tamworth, Staffordshire on 1 July 2018. The school currently has 289 pupils (with a capacity of 315) and was judged inadequate at its last full inspection in September 2016. However, the teaching school within the Trust started school improvement work some months prior to conversion and now the school has converted, this will continue apace. Additionally, this conversion has led to discussion with other schools in the Tamworth area who are interested in an opportunity to join our Trust. This will be explored further within the context of creating a potential hub structure.

Over this 2017/18 period, the Trust was also asked to provide support to a local Wolverhampton two form entry primary school (Woodthorne Primary, Tettenhall). The Head of School from Berrybrook was consequently seconded into an Acting Headteacher role at this establishment (allowing for a promotional opportunity at Berrybrook too). During this time the school had an OFSTED inspection, in January 2018, judging the school as continuing to be Good. The inspection noted that in order to provide a more sustainable and effective leadership structure the governors had plans in place to join a local Multi-Academy Trust having researched this decision carefully. (The school converted and joined our Trust on 1 September 2018. Although the schools' results are not included here, there has been substantial support provided by various Trust leaders in the period approaching this conversion date).

Engagement with schools in another neighbouring authority – Worcestershire – started in September 2017 with initial plans of creating a hub structure in that area too. In terms of firm plans, there is now one school hoping to join the Trust. This would bring our complement of academies to six (as per the next stage of our original growth strategy).

Review of activities (continued)

Continued positive dialogue with the Department for Education regarding expansionary aspirations resulted in a successful offer of MAT Development & Improvement Funding which is due to be received in early 2018/19. The Regional Growth funding awarded last year (£100K) was spent in 2017/18 primarily on the appointment of a Facilities & Estates Manager into the central business team and investment into new cloud based IT systems replacing previous individual school server based software. The Trust has also benefitted from working with a local consultancy firm who have experience with branding, additional funding streams, income opportunities and business growth.

With a continued drive to strengthen the Trust Board, the number of Trustees increased again with new appointees bringing strong corporate and business experience.

The annual Trustee Away Day was a successful session benefitting from these individuals bringing experienced advice and challenge. This included agreement on new senior roles (two Executive Head Teachers) being created within the Trust to support the strategic objectives of the Chief Executive Officer.

Some of the key achievements/developments for the individual schools in the period ended 31 August 2018 are summarised below:

PERRY HALL PRIMARY

Following last year's accreditation as a teaching school and consequent funding opportunities, Perry Hall continued to build on this reputation. The school increased working formally with other establishments to provide high-quality training, development and support to new and experienced school staff with numerous certifications for senior leaders for education. The development of leadership and support structures (including the Executive Head Teacher for the Teaching School) was completed to establish the teaching school alliance and the contribution to raising standards through continued school to school support.

Assessment

- Pupils continue to enter school below age related expectations generally leaving Reception close to age related bands and then leaving Key Stage 1 broadly in line with national averages hence demonstrating at least good progress.
- The school enjoyed another excellent Key Stage 2 performance this year with Year 6 attainment following the May 2018 SATS continuing to be well above latest published national statistics in all subject areas as follows:

READING		WRITING		EGPS		MATHS	
Perry Hall	National	Perry Hall	National	Perry Hall	National	Perry Hall	National
90%	72%	88%	76%	93%	77%	95%	75%
	+18%		**+12%**		**+16%**		**+20%**
Progress	**+3.5**		**+0.8**				**+6.0**

- Combined results therefore showed Perry Hall's percentage of children who achieved standard in test outcomes to be favourable by some 20% compared to national results.

Review of activities (continued)

Behaviour & Attendance

- The behaviour management system within school continues to be effective and as a result the majority of behaviour incidents are dealt with effectively and with increased feedback to all pupils involved and their parents/carers. The system used will be amended in time for the new academic year especially with regards to those children that demonstrate outstanding behaviours.
- Overall percentage of absence across the academic year was 4.2% which was higher than the previous year (3.3%) and slightly below the latest national averages (by 0.3%). This change has been due to an increase in parents taking their children on holiday in term time following further changes in the law. However, all efforts are made to work in conjunction with the Education Welfare Officer and families to improve these statistics further via letters, home visits and penalty notices.

Facilities

- Work on the full heating system replacement for the school was completed during the Autumn term 2017 following successful Condition Improvement Funding (CIF) covering expenditure in the year of £0.1m. Final retention monies have been paid to the contractor shortly after year-end. The Multi-Academy Trust Centre also contributed £50,000 towards the overall cost of this project.
- In addition, following a successful refurbishment programme of the Key Stage 2 toilet block a couple of years back, it was agreed to commence much needed similar refurbishment work on the Key Stage 1 toilets at a cost of £0.1m. This work has been completed with excellent results.
- During the Summer term a flood caused by flash storms across the area meant that the school's Nursery and Reception classes were damaged resulting in classroom moves and closures for two weeks. Many learning resources and items of furniture were destroyed and those requiring replacement will be subject to an insurance claim during the 2018/19 financial period.

BERRYBROOK PRIMARY

Following last year's 'Good' OFSTED rating, during 2017/18 Berrybrook was asked to support a neighbouring primary school with the secondment of its Head of School for the whole period and consequent change in its leadership structure.

Assessment

- Pupils continue to enter the school well below age related expectations leaving Reception close to age related bands and leaving Key Stage 1 broadly in line with national averages demonstrating at least good progress.
- Following last year's excellent results, Key Stage 2 attainment was not as favourable, above national in only one subject area this year as demonstrated by the May 2018 SATs results:

READING		WRITING		EGPS		MATHS	
Berrybrook	National	Berrybrook	National	Berrybrook	National	Berrybrook	National
60%	72%	79%	76%	73%	77%	63%	75%
	-12%		**+3%**		**-4%**		**-12%**
Progress	**+3.5**		**+4.4**				**+2.3**

- Combined results were consequently down on national expected standards, but in terms of higher standards the school was marginally ahead.
- The school still remains proud of its recent Key Stage 2 achievements, especially progress measures which puts the school in the top 5% of schools nationally for Writing (and top 25% for Reading and Maths).

Review of activities (continued)

Behaviour & Attendance

- Overall behaviour in school continues to be dealt with effectively underpinned by early identification of needs and positive relationships with parents/carers. The behaviour system has been amended during the year to ensure that expectations in behaviour across school are understood. It has further been identified that additional training needs to be implemented for new staff to reduce inconsistencies and this has been planned for the start of the new academic year. Appropriate advice and support continues to be put in place for those pupils with severe social and emotional difficulties via the Trust's Assistant Educational Psychologist.
- Overall percentage of absence across the academic year was 5.8% which was a decrease on the prior year and still remains below national averages.
- The school continues to work relentlessly with the Educational Welfare Officer to ensure this rate is improved particularly by targeting a minority of continued persistent offenders whose attendance is below 85%.

Facilities

- The flash floods in the Spring term caused substantial damage to a number of classrooms and support areas. Much of the school was moved successfully for a number of months awaiting remedial works. The Main Hall floor was particularly damaged and formed the largest part of expenditure incurred. However, all costs outlaid form part of an ongoing insurance claim.
- The Terrific for Twos provision saw numbers steadily improve during the year and the re-opening of extended school services (which had previously been closed on conversion in 2014) is set for early in the new academic year.
- There has been continued interaction with the two educationally focussed licensees who occupy office space on site, particularly with regard to the hire of training room facilities which has led to increased income for the school and Trust.

DUNSTALL HILL PRIMARY

The school continues to move towards a full two form entry establishment with the primary expansionary programme now complete and pupil numbers continuing to increase.

Many Early Years staff took part in the local Early Years Improvement Project (SSIP) during the year with costs recharged to the training provider.

Assessment

- Key Stage 2 attainment was above national in all subject areas as demonstrated by the May 2018 SATs results:

READING		WRITING		EGPS		MATHS	
Dunstall	National	Dunstall	National	Dunstall	National	Dunstall	National
73%	72%	78%	76%	90%	77%	82%	75%
	+1%		+2%		+13%		+7%
Progress	+3.6		+4.2				+4.5

- The school is understandably proud of these results not least because many of the children enter school with little or no English and below national expectations in most reported areas. Progress data therefore is an exceptionally important measure for Dunstall Hill. The progress in Writing and Maths places the

school in the top 5% of schools in the country and Reading progress in the top 20 of schools in the country.
- Outcomes continue on an upward trend particularly with regard to those achieving higher standards.

Review of activities (continued)

Behaviour & Attendence

- The development of the Good to Be Green behaviour system continued with focus on those children who are consistently 'green' and tackling key adverse behaviours. Where unacceptable behaviour is shown, regular meetings are held between pupils, staff, parents / carers and outside agencies (where appropriate). The reduction in reported behavioural incidents over the period has evidenced that these positive changes are working.
- Overall percentage of absence across the academic year was 4.9% which compared to a prior year result of 4.8%. This remains below national averages. However, the efforts of school staff with the Education Welfare Officer continue to target this area of focus. Due to observance of religious festivals which impacts on the school's attendance statistics, the school can add an additional 0.4% to its reported figures meaning that a revised 95.5% attendance would be closer to national expectations.

Facilities

- The primary expansion project was completed early in the financial year and the school finally opened its doors to the brand new double storey, increased space in early September 2017. Pupils and staff are incredibly proud of their new and extended premises and an official opening by the local Mayor was held once the children had been in situ for some time. The revised capital value (approximately £5.3m) associated with this expansionary programme was transferred to the Trust Balance Sheet in 2017/18 once any ongoing snagging issues had been resolved.
- With the new improved facilities available, they have become an attractive means of generating additional income via lettings with clubs for the local community outside of school hours starting up (and generating interest in further opportunities).

M.A.T. Central Business / Facilities Teams

- The central team was increased with the appointment of our Facilities & Estates Manager in January 2018. Who in addition to management of all facilities related staff is responsible for all of our statutory compliance and health and safety obligations. As the organisation continues to grow and develop. This position has been a positive enhancement to the team.
- With our continued drive to create a more standardised and efficient shared central service, finance processes continued to be reviewed. All purchase order processing was centralised with effect from 1 September 2017 and this has proven a successful transition following centralisation of purchase invoice processing the previous year.
- Additionally, further work was undertaken to move the Trust to preferred supplier agreements leveraging additional procurement benefits. All recruitment of agency staff continued with our level 1 preferred supplier and the choice of preferred vendor for administrative supplies and learning resources was made in January 2018 which has yielded further central purchasing rebates. This procurement work will continue across other commodity spends.
- As the organisation continues to grow, the need for centralised management information and financial systems has likewise increased. This has led to the introduction of a new cloud based financial package when Bird's Bush joined the Trust in July 2018. This system will subsequently be rolled out to our legacy schools during the forthcoming 2018/19 period.

d. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Achievements and performance

a. Key performance indicators

The key performance indicators of the Academy Trust include exam results, pupil attendance, pupil levels, Ofsted reports, unrestricted reserves carried forward, cash levels and staff retention. See Review of activities above for further details.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

At 31 August 2018, the Trust had free reserves of £1,026,484 (2017 - £618,303), fixed asset reserves of £18,333,021 (2017 - £11,331,639) which can only be realised by disposing of tangible fixed assets, and a pension reserve in deficit of £2,873,000 (2017 - £2,881,000).

b. Material investments policy

Due to the nature and timing of funding, the Trust may at times hold cash balances surplus to the short term operational needs of the schools. The Trustees have authorised the use of short term bank deposit accounts to take advantage of higher interest rates.

c. Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

- As risk management continues to be reviewed and assessed, future funding levels remains a key topic for the schools within the Trust. With the impending implementation of the National Funding Formula, any potential funding decreases may need to be mitigated via employment and operational cost reviews.
- With expansion as the priority strategic aim of the Trust, succession planning has formed a major part of risk evaluation. These plans allow for senior management to focus on increasing expansionary objectives with consequent back-filling of operational responsibilities.
- Cash management remains a key element of risk evaluation. This includes operational review and forecasting in addition to robust due diligence regarding the cash-flow position of any potential establishments joining the Trust.

Plans for future periods

a. Future developments

The strategy of the Trust continues to be growth via sponsorship of appropriate schools and good schools joining the Trust. Attracting other suitable establishments in those areas which the Trust now has a presence to create hub structures. This growth plan has been fully supported via dialogue with the DfE evidenced in the recent award of MAT Development and Improvement Funding (which is set to be received in early 2018/19). Our original intention to have at least three schools signed up to join the Trust by March / April 2018 should be achieved by early 2019.

Funds held as custodian

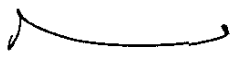
No monies are being held on behalf of other schools or other organisations as at 31 August 2018.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 26 November 2018 and signed on its behalf by:



A Brocklehurst
Chair of Trustees

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Perry Hall Multi-Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Perry Hall Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Brocklehurst, Chair of Trustees	3	3
L McCarthy	3	3
A K Cheema	3	3
M Edwards	3	3
D Tarbuck	3	3
S Gill	0	3
P Hinkley	3	3
E Woodhouse	1	3
E Bianchi-Barry	2	2
A Gibson	0	0

Governance reviews:

A skills audit was undertaken again at the start of this academic year for each local governing body and this has led to the most appropriate use of resource being deployed on the various sub-committees (now Standards). It was agreed that in line with the development of the organisation that financial information should be shared at Trust level. This led to the introduction of the Finance & Audit Committee meetings replacing the local Resources meetings in Spring 2018.

Successful Trustees / Governors Away Days were held in June 2018 and brought governors from each of the three local governing bodies together to exchange views and ideas against the context of the individual School Improvement Plans. The Trustee day also included a facilitation by an external company in risk identification and prioritisation and the development of revised senior leadership staffing structures to support the strategic objectives of the Trust.

Wider Leadership Teams across the Trust were also brought together to share views and experiences in developing Trust best working practices.

These sessions will continue to be annual fixtures in the Trust's calendar.

Each school has a Resource Committee which is a sub-committee of the main Board of Trustees. Its purpose is to:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regularity requirements
- Draft the annual budget

The Resources Committee for each school met in November 2017.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Cheema	1	1
D Collinswood	1	1
L Fergusson	1	1
A Fisher	1	1
R Kohli	1	1
D Tarbuck	1	1
M Edwards	1	1
A Farnath	1	1
L McCarthy	1	1
J Perks	1	1
E Pritchett	1	1
D Asbury	1	1
A Brocklehurst	1	1
R Dosanjh	1	1

Following the above, it was decided to bring together the individual resource committees to a multi-academy trust resource and finance committee, with the same purpose and at a greater strategic level.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Brocklehurst	2	2
A K Cheema	2	2
L McCarthy	2	2
E Woodhouse	0	2
S Gill	0	2
D Tarbuck	1	2

Review of Value for Money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Financial Governance
In addition to the newly created Finance & Audit Committee meetings where there is a review of latest detailed management accounts information, the Trust continues to employ an external internal audit services provider to review operational financial procedures and processes. Regular reporting and monitoring is performed based on the findings of this additional responsible officer.

Robust Purchasing
Tendering, quoting and invoicing is appraised to ensure the best mix of quality and effectiveness is being provided to our academies. Service level agreements are reviewed and challenged where necessary to ensure best value for the Trust.

Vendors continue to be reviewed across the academies to ensure that synergies are being realised or standardisation of services provided. This has been particularly highlighted with the introduction of our level 1 and level 2 preferred supplier agreements.

Continued centralisation has provided additional efficiency and standardisation to financial processes.

Investment
Individual cash forecasts are prepared and reviewed to ensure that optimal use of cash is employed across the Trust. Deposit accounts have continued to be used where short term cash flow needs allow for excess funds to be invested elsewhere at more beneficial rates.

Pupil Premium / Sports Premium
These additional sources of funding are tracked and monitored regularly in order to ensure resources are *effectively targeted to make or exceed expected academic process. The Trust has utilised the pupil premium* funding in each school to ensure adequate teaching. Support staff are deployed appropriately to provide the required intervention strategies for the targeted children in addition to life experiences that some of these disadvantaged pupils would not normally receive (i.e. trips and residential visits).

The Sports Premium has seen further focus in response to the doubling of the funding advised in Autumn 2017.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Perry Hall Multi-Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the resources/finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed HCSS, an external internal auditor, to perform additional checks.

The reviewer' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Leadership and governance
- People management
- Policy and strategy
- Partnership and resources
- Processes

On a termly basis, HCSS reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. HCSS has carried out their schedule of work as planned and have not identified any material control issues.

Review of Effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of HCSS;
  the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resource Committee and and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 26 November 2018 and signed on their behalf, by:

A Brocklehurst
Chair of Trustees

A K Cheema
Accounting Officer

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Perry Hall Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

A K Cheema
Accounting Officer

Date: 26 November 2018

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 26 November 2018 and signed on its behalf by:

A Brocklehurst
Chair of Trustees

Independent Auditors' Report on the Financial Statements to the Members of Perry Hall Multi-Academy Trust

Opinion

We have audited the financial statements of Perry Hall Multi-Academy Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditors' Report on the Financial Statements to the Members of Perry Hall Multi-Academy Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy trust for our audit work, for this report, or for the opinions we have formed.

Julian Townsend ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
26 November 2018

Independent Reporting Accountants' Assurance Report on Regularity to Perry Hall Multi-Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 August 2018 and further to the requirements of *the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018*, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Perry Hall Multi-Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Perry Hall Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Perry Hall Multi-Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Perry Hall Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Perry Hall Multi-Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Perry Hall Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 28 June 2013, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

Independent Reporting Accountants' Assurance Report on Regularity to Perry Hall Multi-Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

26 November 2018

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations & capital grants:						
Transfer from Local Authority on conversion (note 21)	2	**60,847**	**(413,009)**	**3,973,826**	**3,621,664**	-
Other donations and capital grants	2	**38,850**	**4,639**	**3,424,511**	**3,468,000**	543,102
Charitable activities:	3					
Funding for the academy trust's educational operations		-	**5,786,546**	-	**5,786,546**	4,873,884
Teaching schools	28	-	**66,000**	-	**66,000**	-
Other trading activities	4	**39,820**	-	-	**39,820**	43,214
Investments	5	**3,323**	-	-	**3,323**	2,301
Total income		**142,840**	**5,444,176**	**7,398,337**	**12,985,353**	5,462,501
Expenditure on:						
Charitable activities		**31,265**	**5,439,721**	**518,239**	**5,989,225**	5,480,284
Teaching schools	28	-	**60,565**	-	**60,565**	-
Total expenditure	6	**31,265**	**5,500,286**	**518,239**	**6,049,790**	5,480,284
Net income/ (expenditure) before transfers		**111,575**	**(56,110)**	**6,880,098**	**6,935,563**	(17,783)
Transfers between Funds	18	-	**(121,284)**	**121,284**	-	-
Net income / (expenditure) before other recognised gains and losses		**111,575**	**(177,394)**	**7,001,382**	**6,935,563**	(17,783)
Actuarial gain/(loss) on defined benefit pension schemes		-	**482,000**	-	**482,000**	(19,000)
Net movement in funds		**111,575**	**304,606**	**7,001,382**	**7,417,563**	(36,783)
Reconciliation of funds:						
Total funds brought forward		**513,792**	**(2,776,489)**	**11,331,639**	**9,068,942**	9,105,725
Total funds carried forward		**625,367**	**(2,471,883)**	**18,333,021**	**16,486,505**	9,068,942

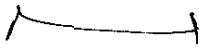
Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)
Registered number: 08566185

Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14		**18,301,937**		11,330,285
Current assets					
Debtors	15	**483,387**		587,894	
Cash at bank and in hand		**1,247,242**		802,671	
		1,730,629		1,390,565	
Creditors: amounts falling due within one year	16	**(637,054)**		(770,908)	
Net current assets			**1,093,575**		619,657
Total assets less current liabilities			**19,395,512**		11,949,942
Creditors: amounts falling due after more than one year	17		**(36,007)**		-
Net assets excluding pension scheme liabilities			**19,359,505**		11,949,942
Defined benefit pension scheme liability	24		**(2,873,000)**		(2,881,000)
Net assets including pension scheme liabilities			**16,486,505**		9,068,942
Funds of the academy					
Restricted income funds:					
Restricted income funds	18	**401,117**		104,511	
Restricted fixed asset funds	18	**18,333,021**		11,331,639	
Restricted funds excluding pension liability		**18,734,138**		11,436,150	
Pension reserve		**(2,873,000)**		(2,881,000)	
Total restricted income funds			**15,861,138**		8,555,150
Unrestricted income funds	18		**625,367**		513,792
Total funds			**16,486,505**		9,068,942

Balance Sheet (continued)
As at 31 August 2018

The financial statements on pages 22 to 51 were approved by the Trustees, and authorised for issue, on 26 November 2018 and are signed on their behalf, by:



A Brocklehurst
Chair of Trustees

The notes on pages 26 to 51 form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	**537,836**	(129,900)
Cash flows from investing activities:			
Interest received		**3,323**	2,301
Purchase of tangible fixed assets		**(203,930)**	(557,452)
Capital grants from DfE Group and other capital income		**107,342**	481,911
Net cash used in investing activities		**(93,265)**	(73,240)
Change in cash and cash equivalents in the year		**444,571**	(203,140)
Cash and cash equivalents brought forward		**802,671**	1,005,811
Cash and cash equivalents carried forward	21	**1,247,242**	802,671

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Perry Hall Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income from donations and capital grants.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities costs are costs incurred on the academy trust's educational operations, including support costs and those costs relating to the governance of the academy trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Land	-	Over the lease term
Long Term Leasehold Property	-	2% Straight line
Leasehold Improvements	-	10% Straight line
Furniture and fixtures	-	20% Straight line
Computer equipment	-	33.3% Straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1. Accounting Policies (continued)

1.10 *Liabilities and provisions*

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1. Accounting Policies (continued)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

1. Accounting Policies (continued)

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from Local Authority on conversion (note 21)	**60,847**	**(413,009)**	**3,973,826**	**3,621,664**	-
Donations	-	**4,639**	**7,564**	**12,203**	16,498
Parent contributions to school visits	**38,850**	-	-	**38,850**	44,693
Devolved capital funding	-	-	**24,234**	**24,234**	18,525
Capital maintenance fund	-	-	**76,753**	**76,753**	351,959
Capital contribution	-	-	**3,315,960**	**3,315,960**	111,427
Subtotal	**38,850**	**4,639**	**3,424,511**	**3,468,000**	543,102
	99,697	**(408,370)**	**7,398,337**	**7,089,664**	543,102
Total 2017	44,693	16,498	481,911	543,102	

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	**3,963,659**	**3,963,659**	3,604,509
Universal free school meals	-	**107,026**	**107,026**	79,344
Pupil premium	-	**507,193**	**507,193**	388,306
Sports funding	-	**62,180**	**62,180**	27,670
Rates relief	-	-	-	2,282
Contributions from other services	-	**28,447**	**28,447**	-
	-	**4,668,505**	**4,668,505**	4,102,111
Other government grants				
Contributions from other services	-	**16,550**	**16,550**	70,344
Early years funding/SEN	-	**434,278**	**434,278**	379,724
Twos funding	-	**115,119**	**115,119**	136,384
Pupil premium	-	**6,400**	**6,400**	3,625
Expansion funding	-	**271,576**	**271,576**	66,153
	-	**843,923**	**843,923**	656,230
Other funding				
Catering income	-	**55,878**	**55,878**	46,875
Income from school support services	-	**79,950**	**79,950**	31,145
Extended services fees	-	**32,676**	**32,676**	37,523
Contributions from other services	-	**105,614**	**105,614**	-
	-	**274,118**	**274,118**	115,543
	-	**5,786,546**	**5,786,546**	4,873,884
Total 2017	-	4,873,884	4,873,884	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	**39,820**	**-**	**39,820**	43,214
Total 2017	43,214	-	43,214	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	**3,323**	**-**	**3,323**	2,301
Total 2017	2,301	-	2,301	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct costs	**2,363,265**	**393,962**	**589,075**	**3,346,302**	3,190,257
Support costs	**1,559,487**	**466,850**	**616,586**	**2,642,923**	2,290,027
Teaching schools	**-**	**-**	**60,565**	**60,565**	-
	3,922,752	**860,812**	**1,266,226**	**6,049,790**	5,480,284
Total 2017	3,742,263	628,796	1,109,225	5,480,284	

7. Direct costs

	Total 2018 £	Total 2017 £
LGPS costs	**72,000**	57,000
Educational supplies	**85,300**	68,173
Staff development	**41,032**	42,796
Technology costs	**51,978**	27,538
Educational consultancy	**174,106**	215,814
Travel and subsistence	**35,480**	60,363
Other direct costs	**127,234**	107,381
Recruitment and support	**1,945**	1,622
Wages and salaries	**1,788,460**	1,619,535
National insurance	**181,976**	165,412
Pension cost	**392,829**	514,810
Depreciation	**393,962**	309,813
	3,346,302	3,190,257
Total 2017	3,190,257	

8. Support costs

	Total 2018 £	Total 2017 £
Travel and subsistence	**33,392**	17,564
Other direct costs	**197,224**	148,381
Irrecoverable VAT	**7,133**	7,290
Maintenance of premises	**129,767**	40,224
Maintenance of equipment	**9,284**	35,145
Cleaning	**69,782**	41,296
Rates	**27,530**	23,833
Water rates	**26,223**	33,128
Energy	**64,415**	58,346
Insurance	**24,856**	38,340
Catering costs	**261,642**	275,182
Severance payment	**-**	15,175
Governance costs	**107,910**	51,953
Wages and salaries	**1,330,033**	1,234,571
National insurance	**78,043**	74,695
Pension cost	**151,412**	118,067
Depreciation	**124,277**	76,837
	2,642,923	2,290,027
Total 2017	2,290,027	

9. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	**518,238**	386,650
Auditors' remuneration - audit	**13,675**	11,375
Auditors' remuneration - other services	**775**	750
Operating lease rentals	**10,866**	1,759

10. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	**3,118,493**	2,854,105
Social security costs	**260,019**	240,106
Operating costs of defined benefit pension schemes	**544,240**	632,877
	3,922,752	3,727,088
Termination payments	**-**	15,175
	3,922,752	3,742,263

b. Staff numbers

The average number of persons employed by the Academy trust during the year was as follows:

	2018 No.	2017 No.
Teachers and teaching assistants	**112**	95
Administration and support	**45**	46
Management	**14**	13
	171	154

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	**1**	0
In the band £100,001 - £200,000	**1**	1

d. Key management personnel

The key management personnel of the academy trust comprise key trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £845,325 (2017 - £803,528).

11. Central services

The Academy has provided the following central services to its academies during the year:

- Human resources
- Finance services
- Administration
- Data services
- Early years consultancy
- Chief Executive Officer and leadership support
- Educational psychologist support
- Caretaker services

The Academy charges for these services on the following basis:

Salary charges were split equally between the 3 academies for the first 10 months of the year. Following Bird's Bush Primary School joining the MAT salary charges are directly attributed to Bird's Bush Primary School first and the remainder is allocated equally between the other 3 schools .

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Perry Hall Primary School	**163,453**	111,793
Berrybrook Primary School	**163,453**	118,042
Dunstall Hill Primary School	**163,453**	111,793
Bird's Bush Primary School	**15,953**	-
Total	**506,312**	341,628

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
A K Cheema	Remuneration	**110,000-115,000**	100,000-105,000
	Pension contributions paid	**15,000-20,000**	15,000-20,000

During the year, no Trustees received any benefits in kind (2017 - £NIL).
During the year ended 31 August 2018, no expenses were reimbursed to Trustees (2017 - £Nil).

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,895 (2017 - £1,753).

14. Tangible fixed assets

	Long Term Leasehold Land and Buildings £	Leasehold Improvements £	Furniture and fixtures £	Plant and equipment £	Total £
Cost or valuation					
At 1 September 2017	**9,990,000**	**1,919,813**	**115,605**	**288,382**	**12,313,800**
Additions	**7,285,960**	**122,535**	**29,631**	**51,764**	**7,489,890**
At 31 August 2018	**17,275,960**	**2,042,348**	**145,236**	**340,146**	**19,803,690**
Depreciation					
At 1 September 2017	**542,730**	**317,237**	**49,129**	**74,419**	**983,515**
Charge for the year	**193,596**	**200,366**	**23,646**	**100,630**	**518,238**
At 31 August 2018	**736,326**	**517,603**	**72,775**	**175,049**	**1,501,753**
Net book value					
At 31 August 2018	**16,539,634**	**1,524,745**	**72,461**	**165,097**	**18,301,937**
At 31 August 2017	9,447,270	1,602,576	66,476	213,963	11,330,285

15. Debtors

	2018 £	2017 £
Trade debtors	**12,248**	144,517
VAT recoverable	**69,341**	133,699
Other debtors	**129,264**	9,680
Prepayments and accrued income	**272,534**	299,998
	483,387	587,894

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	**12,002**	-
Trade creditors	**90,152**	69,828
Other taxation and social security	**79,104**	55,265
Other creditors	**81,678**	113,170
Accruals and deferred income	**374,118**	532,645
	637,054	770,908

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	**181,465**	132,403
Resources deferred during the year	**183,439**	181,465
Amounts released from previous years	**(181,465)**	(132,403)
Deferred income at 31 August 2018	**183,439**	181,465

At the balance sheet date the Academy was holding Universal Infant Free School Meals and Early Years funding received in advance of the academic year 2018/19 and unspent growth funding and capital funds.

17. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Other loans	**36,007**	-

18. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	513,792	142,840	(31,265)	-	-	625,367
Restricted funds						
General Annual Grant	104,511	3,963,659	(3,521,986)	(145,207)	-	400,977
Pupil Premium	-	513,593	(513,593)	-	-	-
Other DfE/ESFA grants	-	169,206	(62,180)	(107,026)	-	-
Other funding	-	1,040,840	(971,319)	(69,521)	-	-
Catering	-	55,878	(261,643)	205,765	-	-
Teaching school	-	66,000	(60,565)	(5,295)	-	140
Pension reserve	(2,881,000)	(365,000)	(109,000)	-	482,000	(2,873,000)
	(2,776,489)	5,444,176	(5,500,286)	(121,284)	482,000	(2,471,883)
Restricted fixed asset funds						
Terrific For Twos	46,291	-	(13,880)	-	-	32,411
Capital Maintenance Fund	1,021,797	76,753	(162,442)	-	-	936,108
Devolved Capital grants	49,536	24,234	-	-	-	73,770
Assets inherited on conversion	9,504,498	7,289,786	(221,446)	-	-	16,572,838
Assets funded from GAG	483,551	-	(70,583)	121,284	-	534,252
Capital contribution	225,966	-	(49,321)	-	-	176,645
Donations	-	7,564	(567)	-	-	6,997
	11,331,639	7,398,337	(518,239)	121,284	-	18,333,021
Total restricted funds	8,555,150	12,842,513	(6,018,525)	-	482,000	15,861,138
Total of funds	9,068,942	12,985,353	(6,049,790)	-	482,000	16,486,505

18. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the trustees. Unrestricted funds will be deployed primarily on appropriate staffing and leadership structures across the Academy Trust to ensure that pupil achievement is enhanced.

Restricted general funds

This fund represents grants and other income received for the Academy Trust's operational activities and development

Pension reserve

The pension reserve included within restricted general funds represents the Academy Trust's share of the *pension liability arising on the LGPS pension fund.*

Restricted fixed asset funds

This fund represents grants and other income received to carry out works of a capital nature.

Transfers between funds

Transfers between funds relate to purchases of a capital nature being funded by GAG.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Perry Hall Primary School	**182,806**	88,876
Berrybrook Primary School	**248,071**	92,250
Dunstall Hill Primary School	**493,508**	349,366
Bird's Bush Primary School	**28,064**	-
Multi-Academy Trust	**74,035**	87,811
Total before fixed asset fund and pension reserve	**1,026,484**	618,303
Restricted fixed asset fund	**18,333,021**	11,331,639
Pension reserve	**(2,873,000)**	(2,881,000)
Total	**16,486,505**	9,068,942

18. Statement of funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Perry Hall Primary School	**802,289**	**529,464**	**18,980**	**541,381**	**1,892,114**	1,853,756
Berrybrook Primary School	**519,649**	**323,967**	**18,363**	**296,787**	**1,158,766**	1,240,390
Dunstall Hill Primary School	**779,502**	**358,771**	**37,022**	**393,093**	**1,568,388**	1,509,015
Bird's Bush Primary School	**104,394**	**53,126**	**10,243**	**32,155**	**199,918**	-
Multi-Academy Trust	**157,431**	**294,159**	**692**	**199,519**	**651,801**	433,473
	2,363,265	**1,559,487**	**85,300**	**1,462,935**	**5,470,987**	5,036,634

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Funds	556,242	90,208	(140,246)	7,588	-	513,792
Restricted funds						
General Annual Grant	-	3,604,509	(3,276,390)	(223,608)	-	104,511
Pupil Premium	-	388,306	(380,718)	(7,588)	-	-
Other DfE/ESFA grants	-	109,296	(29,952)	(79,344)	-	-
Other funding	-	741,396	(741,396)	-	-	-
Catering	-	46,875	(272,932)	226,057	-	-
Pension reserve	(2,610,000)	-	(252,000)	-	(19,000)	(2,881,000)
	(2,610,000)	4,890,382	(4,953,388)	(84,483)	(19,000)	(2,776,489)
Restricted fixed asset funds						
Terrific For Twos	60,171	-	(13,880)	-	-	46,291
Capital Maintenance Fund	755,192	351,959	(85,354)	-	-	1,021,797
Devolved Capital grants	31,011	18,525	-	-	-	49,536
Assets inherited on conversion	9,695,332	-	(190,834)	-	-	9,504,498
Assets funded from GAG	487,110	-	(80,454)	76,895	-	483,551
Capital contribution	130,667	111,427	(16,128)	-	-	225,966
	11,159,483	481,911	(386,650)	76,895	-	11,331,639
Total restricted funds	8,549,483	5,372,293	(5,340,038)	(7,588)	(19,000)	8,555,150
Total of funds	9,105,725	5,462,501	(5,480,284)	-	(19,000)	9,068,942

17. Statement of Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	556,242	233,048	(171,511)	7,588	-	625,367
Restricted funds						
General Annual Grant	-	7,568,168	(6,798,376)	(368,815)	-	400,977
Pupil Premium	-	901,899	(894,311)	(7,588)	-	-
Other DfE/ESFA grants	-	278,502	(92,132)	(186,370)	-	-
Other funding	-	1,782,236	(1,712,715)	(69,521)	-	-
Catering	-	102,753	(534,575)	431,822	-	-
Teaching school	-	66,000	(60,565)	(5,295)	-	140
Pension reserve	(2,610,000)	(365,000)	(361,000)	-	463,000	(2,873,000)
	(2,610,000)	10,334,558	(10,453,674)	(205,767)	463,000	(2,471,883)
Restricted fixed asset funds						
Terrific For Twos	60,171	-	(27,760)	-	-	32,411
Capital Maintenance Fund	755,192	428,712	(247,796)	-	-	936,108
Devolved Capital grants	31,011	42,759	-	-	-	73,770
Assets inherited on conversion	9,695,332	7,289,786	(412,280)	-	-	16,572,838
Assets funded from GAG	487,110	-	(151,037)	198,179	-	534,252
Capital contribution	130,667	111,427	(65,449)	-	-	176,645
Donations	-	7,564	(567)	-	-	6,997
	11,159,483	7,880,248	(904,889)	198,179	-	18,333,021
	8,549,483	18,214,806	(11,358,563)	(7,588)	463,000	15,861,138
Total of funds	9,105,725	18,447,854	(11,530,074)	-	463,000	16,486,505

19. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,301,937	18,301,937
Current assets	976,206	618,826	135,598	1,730,630
Creditors due within one year	(314,832)	(217,709)	(104,514)	(637,055)
Creditors due in more than one year	(36,007)	-	-	(36,007)
Provisions for liabilities and charges	-	(2,873,000)	-	(2,873,000)
	625,367	(2,471,883)	18,333,021	16,486,505

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,330,285	11,330,285
Current assets	513,792	679,473	197,300	1,390,565
Creditors due within one year	-	(574,962)	(195,946)	(770,908)
Provisions for liabilities and charges	-	(2,881,000)	-	(2,881,000)
	513,792	(2,776,489)	11,331,639	9,068,942

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	6,935,563	(17,783)
Adjustment for:		
Depreciation charges	518,238	386,650
Dividends, interest and rents from investments	(3,323)	(2,301)
Decrease/(increase) in debtors	104,507	(183,025)
Decrease in creditors	(97,847)	(83,530)
Capital grants from DfE and other capital income	(7,393,302)	(481,911)
Defined benefit pension scheme obligation inherited	365,000	-
LGPS adjustments	109,000	252,000
Net cash provided by/(used in) operating activities	537,836	(129,900)

21. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	**1,247,242**	802,671
Total	**1,247,242**	802,671

22. Conversion to an academy trust

On 1 July 2018 Bird's Bush Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Perry Hall Multi-Academy Trust from Staffordshire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings - Bird's Bush	**-**	**-**	**3,970,000**	**3,970,000**
Budget surplus on LA funds - Bird's Bush	**60,847**	**-**	**3,826**	**64,673**
LGPS pension deficit - Bird's Bush	**-**	**(365,000)**	**-**	**(365,000)**
Borrowing obligations - Bird's Bush	**-**	**(48,009)**	**-**	**(48,009)**
Net assets/(liabilities)	**60,847**	**(413,009)**	**3,973,826**	**3,621,664**

23. Capital commitments

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	**-**	88,420

24. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £67,814 were payable to the schemes at 31 August 2018 *(2017 - 46,629)* and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- *an employer cost cap of 10.9% of pensionable pay will be applied to future valuations*
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £263,000 (2017 - £*237,000*).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

24. Pension commitments (continued)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £377,000 (2017 - £*156,000*), of which employer's contributions totalled £324,000 (2017 - £*108,000*) and employees' contributions totalled £53,000 (2017 - £*48,000*). The agreed contribution rates for future years are 16.3% for employers and 5.5 - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.
Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	**2.65 %**	2.60 %
Rate of increase in salaries	**3.80 %**	4.20 %
Rate of increase for pensions in payment / inflation	**2.30 %**	2.70 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2018	2017
Retiring today		
Males	**21.9 years**	21.8 years
Females	**24.4 years**	24.3 years
Retiring in 20 years		
Males	**24.1 years**	24.0 years
Females	**26.7 years**	26.6 years

Sensitivity analysis	**At 31 August 2018** £	**At 31 August 2017** £
Discount rate +0.1%	**(230,000)**	(101,000)
Discount rate -0.1%	**233,000**	103,000
Mortality assumption - 1 year increase	**156,000**	121,000
Mortality assumption - 1 year decrease	**(135,000)**	(117,000)
CPI rate +0.1%	**183,000**	86,000
CPI rate -0.1%	**(180,000)**	(84,000)

24. Pension commitments (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	**767,000**	539,000
Government bonds	**87,000**	62,000
Property	**99,000**	62,000
Cash and other liquid assets	**45,000**	42,000
Other bonds	**45,000**	33,000
Other	**169,000**	113,000
Total market value of assets	**1,212,000**	851,000

The actual return on scheme assets was £27,000 (2017 - *£130,000*).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	**(361,000)**	(303,000)
Interest cost	**(72,000)**	(57,000)
Total	**(433,000)**	(360,000)
Actual return on scheme assets	**27,000**	130,000

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	**3,732,000**	3,305,000
Inherited on conversion	**805,000**	-
Current service cost	**361,000**	303,000
Interest cost	**101,000**	73,000
Contributions by employees	**53,000**	48,000
Actuarial losses	**(484,000)**	17,000
Benefits paid	**(17,000)**	(14,000)
Closing defined benefit obligation	**4,551,000**	3,732,000

24. Pension commitments (continued)

Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	**851,000**	695,000
Inherited on conversion	**440,000**	-
Return on plan assets (excluding net interest on the net defined pension liability)	**(2,000)**	114,000
Interest income	**29,000**	16,000
Contributions by employer	**324,000**	108,000
Contributions by employees	**53,000**	48,000
Benefits paid	**(17,000)**	(14,000)
Other actuarial gains/(losses)	**-**	(116,000)
Closing fair value of scheme assets	**1,678,000**	851,000

25. Operating lease commitments

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	**5,767**	4,353
Between 1 and 5 years	**8,845**	11,182
Total	**14,612**	15,535

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

28. Teaching school trading account

	2018 £	2018 £	2017 £	2017 £
Income				
Direct income				
Other income	**66,000**		-	
Total income		**66,000**		-
Expenditure				
Direct expenditure				
Direct staff costs	**37,835**		-	
Other direct costs	**22,730**		-	
Total Direct expenditure	**60,565**		-	
Total expenditure		**60,565**		-
Transfers between funds excluding depreciation		**(5,295)**		-
Surplus from all sources		**140**		-
Teaching school balances at 1 September 2017		-		-
Teaching school balances at 31 August 2018		**140**		-